

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: Wai et al.	
Patent No.: 7,517,532	Art Unit: 1624
Issue Date: April 14, 2009	
Serial No.: 10/526,275	Examiner:
Docket No.: 21162YP	Murray, Jeffrey H.
Filed: March 1, 2005	
For: DIHYDROXYPYRIDOPYRAZINE-1,6-DIONE	Confirmation No.
COMPOUNDS USEFUL AS HIV INTEGRASE	8334
INHIBITORS	

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

APPLICATION FOR PATENT TERM ADJUSTMENT UNDER 37 CFR 1.705(b)

Sir:

This is a request for reconsideration of the patent term adjustment (PTA) indicated in the Issue Notification mailed March 25, 2009 and in U.S. Patent No. 7,517,532 issued April 14, 2009 ("Patent").

Background

An application for PTA was filed November 7, 2008 at the time of submission of the issue fee payment. The application requested reconsideration of the PTA as it related to the Patent Office's failure to issue the patent within three years of the filing date of the application. In a decision of the Office of Petitions mailed March 16, 2009 ("Decision"), the application for PTA was held in abeyance. Applicants were given two (2) months from the issue date of the patent (i.e., until June 14, 2009) to file a written request for reconsideration of the application for PTA. The Decision stated that all requirements of 37 CFR 1.705(d) must be met in the request for reconsideration, except that no additional fee is due. A copy of the Decision is attached hereto as Exhibit 1.

Request for Reconsideration

In accordance with the Decision, it is requested that the PTA determination be corrected to include the days accrued pursuant to 37 CFR 1.702(b) for failure to issue the patent within three years of the actual filing date of the application. The title page of the Patent discloses a PTA determination of 630 days. Applicants' position is that this determination is incorrect, because it

does not account for delay accrued under 37 CFR 1.702(b) and that the correct PTA determination is 1001 days.

#### Details

According to 37 CFR 1.702(a)(1), the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to mail at least one of a notification under 35 U.S.C. 132 or a notice of allowance under 35 U.S.C. 151 not later than fourteen months after the date on which the application fulfilled the requirements of 35 U.S.C. 371 in an international application. The requirements under section 371 for this international application were fulfilled on March 1, 2005. The date fourteen months after the section 371 requirements were fulfilled is May 1, 2006. A first office action was mailed on December 14, 2007, which constitutes 592 days of Patent Office delay under 37 CFR 1.703(a)(1); i.e., the number of days from May 1, 2006 to December 14, 2007.

According to 37 CFR 1.702(a)(4), the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to issue a patent not later than four months after the date on which the issue fee was paid. The issue fee for the subject application was paid November 7, 2008. The date four months after the issue fee payment is March 7, 2009. The patent issued on April 14, 2009, which is 38 days of Patent Office delay under 37 CFR 1.703(a)(6); i.e., the number of days from March 7, 2009 to April 14, 2009.

There is no overlap in the 592 days of delay under 37 CFR 1.703(a)(1) and the 38 days under 37 CFR 1.703(a)(4). Accordingly, the total delay under 37 CFR 1.703(a) is  $592 + 38 = 630$  days.

There were no circumstances constituting a failure of Applicants to engage in reasonable efforts to conclude processing or examination of the application as set forth in 37 CFR 1.704. Accordingly, the PTA accrued under 37 CFR 1.703(a)(1) and (a)(4) = PTO Delay – Applicant Delay =  $630 - 0 = 630$  days.

According to 37 CFR 1.702(b), the term of the original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to issue a patent within three years after the date on which the national stage commenced under 35 U.S.C. 371. The date three years after commencement of the national stage is March 1, 2008. The date the patent issued is April 14, 2009. According to 37 CFR 1.703(b), the number of days accrued under Rule 1.702(b) is 409 days; i.e., the number of days from March 1, 2008 to April 14, 2009.

There was no delay due to Applicants during the 1.703(b) period.

Under 37 CFR 1.703(f), any days of delay for Patent Office issuance of the patent more than three years after the filing date of the application which overlap with the days of PTA accorded prior to issuance of the patent will not result in any additional PTA. The 409 days of Patent Office delay under 37 CFR 1.703(b) actually overlaps with the 38 days of Patent Office Delay under 37 CFR 1.703(a)(4).

There is no actual overlap between the delay under 37 CFR 1.703(a)(1) and 37 CFR 1.703(b); i.e., the delay under 1.703(a)(1) ended on December 14, 2007 and the delay under 1.703(b) began to accrue on March 1, 2008.

Accordingly, the PTA is 592 days (1.703(a)(1) delay) + 38 days (1.703(a)(4) delay) + 409 days (1.703(b) delay) – 38 days (overlap) – 0 (Applicant delay) = 1001 days.

The PTA determination of the Patent Office (copy attached hereto as Exhibit 2) lists 630 days of Patent Office delay and 0 days of Applicant delay. The Patent Office PTA determination does not include the delay due to the failure to issue the patent within three years of the commencement of the national stage. The rationale for this omission is that the Patent Office has considered the delay under 37 CFR 1.702(a)(1)&(a)(4) to be overlapping with delay under 1.702(b) such that an applicant is entitled to the delay due to either 1.702(a)(1)&(a)(4) or 1.702(b), whichever is longer, but not both. Reference is made, however, to Wyeth v. Dudas, Civil Action No. 07-1492 (JR), 2008 U.S. Dist. LEXIS 76063 (DC, September 30, 2008) ("Wyeth"; copy attached hereto as Exhibit 3). The Wyeth case presents essentially the same factual situation as presented in the instant application. In Wyeth, the plaintiff argued that the time period due to actual Patent Office delay and the time period due to failure of the Office to issue the patent within 3 years of the filing date do not overlap unless there is actual overlap. The Court agreed, stating that, for purposes of determining PTA, the "only way that periods of time can 'overlap' is if they occur on the same day." Applying the Wyeth precedent to the instant situation, there is actual overlap between only the 38 days of Patent Office Delay under 1.703(a)(4) and the 409 days of Patent Office Delay under 1.702(b). Accordingly, Applicants are entitled to the sum of all of the days of delay less 38 days, which is 1001 days as calculated above.

It is further noted that the patent that issues from the subject application will not be subject to a terminal disclaimer.

Accordingly, it is requested that the PTA determination for this application be changed to 1001 days.

Respectfully submitted,  
By: /Kenneth R. Walton, Reg. No. 32,951/  
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Attorney for Applicants  
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Rahway, New Jersey 07065-0907  
Tel.: (732) 594-3462

Date: April 17, 2009

EXHIBIT ONE

Office of Petition's Decision Mailed March 16, 2009



UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT DEPARTMENT

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In re Application  
Wai, et al.  
Application No. 10/526,275  
Filed: March 1, 2005  
Dkt. No.: 21162XP

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: PATENT TERM ADJUSTMENT  
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:

This is a decision on the "APPLICATION FOR PATENT TERM ADJUSTMENT UNDER 37 CFR 1.705(b)," filed November 7, 2008.

The application for patent term adjustment (PTA) under 37 CFR 1.705(b) is **HELD IN ABEYANCE**.

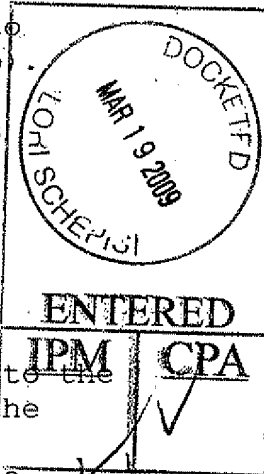
The Determination of Patent Term Adjustment under 35 U.S.C. 154(b), mailed August 21, 2008, indicated a patent term adjustment (PTA) to date of 592 days. The instant application for PTA was timely filed November 7, 2008, at the time of submission of the issue fee payment. Applicants argue that the application is entitled to additional adjustment under the provisions of 37 CFR 1.705(b).

The correct PTA at the time of the allowance is 592 days, as indicated in the Determination of Patent Term Adjustment.

Applicants herein do not contest the adjustment of 592 days accorded at the time of allowance.

The instant application for patent term adjustment requests reconsideration of the patent term adjustment as it relates to the Office's failure to issue the patent within three years of the filing date of the application. A decision is being **held in abeyance** until after the actual patent date. Knowledge of the actual date the patent issues is required to calculate the amount, if any, of additional patent term for Office failure to issue the patent within three years. See, 37 CFR 1.703(b).

Applicants are given **TWO (2) MONTHS** from the issue date of the patent to file a written request for reconsideration of the patent term adjustment for Office failure to issue the patent within three years. A copy of this decision should accompany the request. Applicants may seek such consideration without payment of an additional fee. However, as to all other bases for seeking reconsideration of the patent term adjustment indicated in the



patent, all requirements of 37 CFR 1.705(d) must be met. Requests for reconsideration on other bases must be timely filed and must include payment of the required fee.

Applicants are reminded that if an application is entitled to an adjustment under 35 USC 154(b)(1)(B), the entire period during which the application was pending (except for periods excluded under 35 USC 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the period of delay under 35 USC 154(b)(1)(B) in determining whether periods of delay overlap under 35 USC 154(b)(2)(A).

Thus, any days of delay for Office issuance of the patent more than three years after the filing date of the application which overlap with the days of patent term adjustment accorded prior to the issuance of the patent will not result in any additional patent term adjustment. See, 35 USC 154(b)(1)(B), 35 USC 154(b)(2)(A), and 37 CFR § 1.703(f). See, also, *Revision of Patent Term Extension and Patent Term Adjustment Provisions; Final Rule*, 69 Fed. Reg. 21704 (April 22, 2004).

Thus, the application is entitled to an adjustment of 592 days as of the time of allowance.

The required PTA application fee of \$200.00 has been charged to applicants' deposit account, as authorized.

Applicants are further advised that the patent term adjustment indicated in the patent will include any additional patent term accrued pursuant to §§ 1.702(a)(4) and 1.702(b).

This application is being forwarded to the Office of Data Management for processing into a patent.

Telephone inquiries specific to this matter should be directed to Petitions Attorney Alesia M. Brown at (571) 272-3205.

*Kery AFz*  
Kery Fries  
Senior Legal Advisor  
Office of Patent Legal Administration  
Office of Deputy Commissioner  
for Patent Examination Policy

EXHIBIT TWO

USPTO Decision of Patent Term Adjustment



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10/526,275

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**Patent Term Adjustment**

Filing or 371(c) Date:	03-01-2005	USPTO Delay (PTO) Delay (days):	630
Issue Date of Patent:	-	Three Years:	-
Pre-Issue Petitions (days):	+0	Applicant Delay (APPL) Delay (days):	0
Post-Issue Petitions (days):	+0	Total Patent Term Adjustment (days):	630
USPTO Adjustment (days):	+0	Explanation Of Calculations	<a href="#">i</a>

**Patent Term Adjustment History**

Date	Contents Description	PTO(Days)	APPL(Days)
03-25-2009	PTA 36 Months		
03-20-2009	Dispatch to FDC		⬆
03-16-2009	Mail-Petition Decision - Dismissed		⬆
03-16-2009	Petition Decision - Dismissed		⬆
11-07-2008	Petition Entered		⬆
11-07-2008	Response to Reasons for Allowance		⬆
11-14-2008	Application Is Considered Ready for Issue		⬆
11-07-2008	Issue Fee Payment Verified		⬆
11-07-2008	Issue Fee Payment Received		
08-21-2008	Mail Notice of Allowance		
08-19-2008	Document Verification		
08-18-2008	Notice of Allowance Data Verification Completed		
08-18-2008	Case Docketed to Examiner in GAU		
08-18-2008	Examiner's Amendment Communication		
08-13-2008	Examiner Interview Summary Record (PTOL - 413)		
05-20-2008	Information Disclosure Statement considered		
05-20-2008	Rule 47 / 48 Correction of Inventorship Papers Filed		
06-24-2008	Date Forwarded to Examiner		
05-20-2008	Response after Non-Final Action		
05-20-2008	Reference capture on IDS		
05-20-2008	Information Disclosure Statement (IDS) Filed		
05-20-2008	Information Disclosure Statement (IDS) Filed		
04-30-2008	Mail Examiner Interview Summary (PTOL - 413)		
04-23-2008	Examiner Interview Summary Record (PTOL - 413)		
02-22-2008	Mail Non-Final Rejection		



02-20-2008	Non-Final Rejection	
01-31-2008	Date Forwarded to Examiner	
01-14-2008	Response to Election / Restriction Filed	
12-14-2007	Mail Restriction Requirement	592
12-13-2007	Requirement for Restriction / Election	⬆
03-01-2005	Information Disclosure Statement considered	⬆
11-02-2007	Information Disclosure Statement considered	⬆
12-03-2007	Case Docketed to Examiner in GAU	⬆
11-02-2007	Information Disclosure Statement (IDS) Filed	⬆
11-02-2007	Information Disclosure Statement (IDS) Filed	⬆
06-19-2007	Case Docketed to Examiner in GAU	⬆
02-02-2006	IFW TSS Processing by Tech Center Complete	⬆
03-01-2005	Reference capture on IDS	⬆
03-01-2005	Information Disclosure Statement (IDS) Filed	⬆
03-01-2005	Information Disclosure Statement (IDS) Filed	⬆
02-02-2006	Case Docketed to Examiner in GAU	⬆
03-11-2005	371 Completion Date	⬆
10-27-2005	Application Return from OIPE	⬆
10-27-2005	Notice of DO/EO Acceptance Mailed	⬆
09-30-2005	Pre-Exam Office Action Withdrawn	⬆
10-27-2005	Application Return TO OIPE	⬆
10-26-2005	Mail-Petition Decision - Granted	⬆
10-13-2005	Petition Entered	⬆
10-14-2005	Cleared by OIPE CSR	⬆
10-14-2005	Cleared by OIPE CSR	⬆
10-14-2005	Cleared by OIPE CSR	⬆
09-29-2005	Application Dispatched from OIPE	⬆
09-30-2005	Notice of DO/EO Acceptance Mailed	⬆
03-01-2005	Initial Exam Team nn	⬆

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EXHIBIT THREE

Wyeth v. Dudas, Civil Action No. 07-1492 (JR), 2008 U.S. Dist. LEXIS 76063  
(DC, September 30, 2008)

1 of 1 DOCUMENT

WYETH, et al., Plaintiffs, v. JON W. DUDAS, Under Secretary of Commerce for  
Intellectual Property and Director of U.S. Patent and Trademark Office, Defendant.

Civil Action No. 07-1492 (JR)

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

2008 U.S. Dist. LEXIS 76063

September 30, 2008, Filed

COUNSEL: [\*1] WYETH, Plaintiff: David O. Bickart,  
LEAD ATTORNEY, Patricia A. Carson, PRO HAC  
VICE, KAYE SCHOLER LLP, Washington, DC.

For ELAN PHARMA INTERNATIONAL LIMITED,  
Plaintiff: David O. Bickart, LEAD ATTORNEY, KAYE  
SCHOLER LLP, Washington, DC.

For JON W. DUDAS, Honorable, Under Secretary of  
Commerce, Defendant: Fred Elmore Haynes, LEAD  
ATTORNEY, U.S. ATTORNEY'S OFFICE,  
Washington, DC.

JUDGES: JAMES ROBERTSON, United States District  
Judge.

OPINION BY: JAMES ROBERTSON

OPINION

**MEMORANDUM OPINION**

Plaintiffs here take issue with the interpretation that the United States Patent and Trademark Office (PTO) has imposed upon 35 U.S.C. § 154, the statute that prescribes patent terms. Section 154(a)(2) establishes a term of 20 years from the day on which a successful patent application is first filed. Because the clock begins to run on this filing date, and not on the day the patent is actually granted, some of the effective term of a patent is consumed by the time it takes to prosecute the application. To mitigate the damage that bureaucracy can do to inventors, the statute grants extensions of patent terms for certain specified kinds of PTO delay, 35 U.S.C. § 154(b)(1)(A), and, regardless of the reason, whenever

the patent prosecution [\*2] takes more than three years. 35 U.S.C. § 154(b)(1)(B). Recognizing that the protection provided by these separate guarantees might overlap, Congress has forbidden double-counting: "To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed." 35 U.S.C. § 154(b)(2)(A). Plaintiffs claim that the PTO has misconstrued or misapplied this provision, and that the PTO is denying them a portion of the term Congress has provided for the protection of their intellectual property rights.

**Statutory Scheme**

Until 1994, patent terms were 17 years from the date of issuance. See 35 U.S.C. § 154 (1992) ("Every patent shall contain . . . a grant . . . for the term of seventeen years . . . of the right to exclude others from making, using, or selling the invention throughout the United States. . . ."). In 1994, in order to comply with treaty obligations under the General Agreement on Tariffs and Trade (GATT), the statute was amended to provide a 20-year term from the date on which the application is first filed. See Pub. L. No. 103-465, § 532, 108 Stat. 4809, 4984 (1994). [\*3] In 1999, concerned that extended prosecution delays could deny inventors substantial portions of their effective patent terms under the new regime, Congress enacted the American Inventors Protection Act, a portion of which -- referred to as the Patent Term Guarantee Act of 1999 -- provided for the adjustments that are at issue in this case. Pub. L. No. 106-113, §§ 4401-4402, 113 Stat. 1501, 1501A-557 (1999).

As currently codified, 35 U.S.C. § 154(b) provides three guarantees of patent term, two of which are at issue here. The first is found in subsection (b)(1)(A), the "[g]uarantee of prompt Patent and Trademark Office response." It provides a one-day extension of patent term for every day that issuance of a patent is delayed by a failure of the PTO to comply with various enumerated statutory deadlines: fourteen months for a first office action; four months to respond to a reply; four months to issue a patent after the fee is paid; and the like. See 35 U.S.C. § 154(b)(1)(A)(i)-(iv). Periods of delay that fit under this provision are called "A delays" or "A periods." The second provision is the "[g]uarantee of no more than 3-year application pendency." Under this provision, a one-day [\*4] term extension is granted for every day greater than three years after the filing date that it takes for the patent to issue, regardless of whether the delay is the fault of the PTO.<sup>1</sup> See 35 U.S.C. § 154(b)(1)(B). The period that begins after the three-year window has closed is referred to as the "B delay" or the "B period." ("C delays," delays resulting from interferences, secrecy orders, and appeals, are similarly treated but were not involved in the patent applications underlying this suit.)

1 Certain reasons for exceeding the three-year pendency period are excluded, see 35 U.S.C. § 154(b)(1)(B)(i)-(iii), as are periods attributable to the applicant's own delay. See 35 U.S.C. § 154(b)(2)(C).

The extensions granted for A, B, and C delays are subject to the following limitation:

(A) In general.—To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

35 U.S.C. § 154(b)(2)(A). This provision is manifestly intended to prevent double-counting of periods of delay, but understanding that intent does not answer [\*5] the question of what is double-counting and what is not. Proper interpretation of this proscription against windfall extensions requires an assessment of what it means for "periods of delay" to "overlap."

The PTO, pursuant to its power under 35 U.S.C. §

154(b)(3)(A) to "prescribe regulations establishing procedures for the application for and determination of patent term adjustments," has issued final rules and an "explanation" of the rules, setting forth its authoritative construction of the double-counting provision. The rules that the PTO has promulgated essentially parrot the statutory text, see 37 C.F.R. § 1.703(f), and so the real interpretive act is found in something the PTO calls its Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. § 154(b)(2)(A), which was published on June 21, 2004, at 69 Fed. Reg. 34238. Here, the PTO "explained" that:

the Office has consistently taken the position that if an application is entitled to an adjustment under the three-year pendency provision of 35 U.S.C. § 154(b)(1)(B), the entire period during which the application was pending before the Office (except for periods excluded under [\*6] 35 U.S.C. § 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the relevant period under 35 U.S.C. § 154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A).

69 Fed. Reg. 34238 (2004) (emphasis added). In short, the PTO's view is that any administrative delay under § 154(b)(1)(A) overlaps any 3-year maximum pendency delay under § 154(b)(1)(B): the applicant gets credit for "A delay" or for "B delay," whichever is larger, but never A + B.

In the plaintiffs' submission, this interpretation does not square with the language of the statute. They argue that the "A period" and "B period" overlap only if they occur on the same calendar day or days. Consider this example, proffered by plaintiff: A patent application is filed on 1/1/02. The patent issues on 1/1/08, six years later. In that six-year period are two "A periods," each one year long: (1) the 14-month deadline for first office action is 3/1/03, but the first office action does not occur until 3/1/04, one year late; (2) the 4-month deadline for patent issuance after payment of the issuance fee is 1/1/07, but the patent does not [\*7] issue until 1/1/08, another year of delay attributable to the PTO. According to plaintiff, the "B period" begins running on 1/1/05, three years after the patent application was filed, and ends

three years later, with the issuance of the patent on 1/1/08. In this example, then, the first "A period" does not overlap the "B period," because it occurs in 2003-04, not in 2005-07. The second "A period," which covers 365 of the same days covered by the "B period," does overlap. Thus, in plaintiff's submission, this patent holder is entitled to four years of adjustment (one year of "A period" delay + three years of "B period" delay). But in the PTO's view, since "the entire period during which the application was pending before the office" is considered to be "B period" for purposes of identifying "overlap," the patent holder gets only three years of adjustment.

### ***Chevron* Deference**

We must first decide whether the PTO's interpretation is entitled to deference under *Chevron v. NRDC*, 467 U.S. 837, 104 S. Ct. 2778, 81 L. Ed. 2d 694 (1984). No, the plaintiffs argue, because, under the Supreme Court's holdings in *Gonzales v. Oregon*, 546 U.S. 243, 126 S. Ct. 904, 163 L. Ed. 2d 748 (2006), and *United States v. Mead Corp.*, 533 U.S. 218, 121 S. Ct. 2164, 150 L. Ed. 2d 292 (2001), Congress has not "delegated [\*8] authority to the agency generally to make rules carrying the force of law," and in any case the interpretation at issue here was not promulgated pursuant to any such authority. See *Gonzales*, 546 U.S. at 255-56, citing *Mead*, 533 U.S. at 226-27. Since at least 1996, the Federal Circuit has held that the PTO is not afforded *Chevron* deference because it does not have the authority to issue substantive rules, only procedural regulations regarding the conduct of proceedings before the agency. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549-50 (Fed. Cir. 1996).

Here, as in *Merck*, the authority of the PTO is limited to prescribing "regulations establishing procedures for the application for and determination of patent term adjustments under this subsection." 35 U.S.C. § 154(b)(3)(A) (emphasis added). Indeed, a comparison of this rulemaking authority with the authority conferred for a different purpose in the immediately preceding section of the statute makes it clear that the PTO's authority to interpret the overlap provision is quite limited. In 35 U.S.C. § 154(b)(2)(C)(iii) the PTO is given the power to "prescribe regulations establishing the circumstances that constitute a failure of an applicant [\*9] to engage in reasonable efforts to conclude processing or examination of an application" (emphasis added) — that is, the power to elaborate on the meaning of a particular statutory term.

No such power is granted under § 154(b)(3)(A). *Chevron* deference does not apply to the interpretation at issue here.

### **Statutory Construction**

*Chevron* would not save the PTO's interpretation, however, because it cannot be reconciled with the plain text of the statute. If the statutory text is not ambiguous enough to permit the construction that the agency urges, that construction fails at *Chevron*'s "step one," without regard to whether it is a reasonable attempt to reach a result that Congress might have intended. See, e.g., *MCI v. AT&T*, 512 U.S. 218, 229, 114 S. Ct. 2223, 129 L. Ed. 2d 182 (1994) ("[A]n agency's interpretation of a statute is not entitled to deference when it goes beyond the meaning that the statute can bear.").

The operative question under 35 U.S.C. § 154(b)(2)(A) is whether "periods of delay attributable to grounds specified in paragraph (1) overlap." The only way that periods of time can "overlap" is if they occur on the same day. If an "A delay" occurs on one calendar day and a "B delay" occurs on another, they do not [\*10] overlap, and § 154(b)(2)(A) does not limit the extension to one day. Recognizing this, the PTO defends its interpretation as essentially running the "period of delay" under subsection (B) from the filing date of the patent application, such that a period of "B delay" *always overlaps* with any periods of "A delay" for the purposes of applying § 154(b)(2)(A).

The problem with the PTO's construction is that it considers the application *delayed* under § 154(b)(1)(B) during the period *before it has been delayed*. That construction cannot be squared with the language of § 154(b)(1)(B), which applies "if the issue of an original patent is *delayed* due to the failure of the United States Patent and Trademark Office to issue a patent within 3 years." (Emphasis added.) "B delay" begins when the PTO has failed to issue a patent within three years, not before.

The PTO's interpretation appears to be driven by Congress's admonition that any term extension "not exceed the actual number of days the issuance of the patent was delayed," and by the PTO's view that "A delays" during the first three years of an applications' pendency inevitably lead to "B delays" in later years. Thus, as the PTO sees it, if [\*11] plaintiffs' construction is adopted, one cause of delay will be counted twice:

once because the PTO has failed to meet and administrative deadline, and again because that failure has pushed back the entire processing of the application into the "B period." Indeed, in the example set forth above, plaintiffs' calendar-day construction does result in a total effective patent term of 18 years under the (B) guarantee, so that — again from the PTO's viewpoint — the applicant is not "compensated" for the PTO's administrative delay, he is benefitted by it.

But if *subsection (B)* had been intended to guarantee a 17-year patent term and *no more*, it could easily have been written that way. It is true that the legislative context — as distinct from the legislative history — suggests that Congress may have intended to use *subsection (B)* to guarantee the 17-year term provided

before GATT. But it chose to write a "[g]uarantee of no more than 3-year application pendency," 35 U.S.C. § 154(b)(1)(B), not merely a guarantee of 17 effective years of patent term, and do so using language separating that guarantee from a different promise of prompt administration in *subsection (A)*. The PTO's efforts to [\*12] prevent windfall extensions may be reasonable — they may even be consistent with Congress's intent — but its interpretation must square with Congress's words. If the outcome commanded by that text is an unintended result, the problem is for Congress to remedy, not the agency.

JAMES ROBERTSON

United States District Judge